

August 27, 2004

Office of Human Capital Management

TO: Officials-in-Charge of Headquarters Offices  
Directors, NASA Centers

FROM: Assistant Administrator for Human Capital Management

SUBJECT: Interim Change to NASA Procedural Requirements (NPR) 3430.1A, NASA Employee Performance Communication System (EPCS)

The Agency is transitioning from a two-level to a three-level performance management system for all non-Senior Executive Service (SES) employees, excluding Senior Scientific and Technical (ST) and Senior Level (SL) employees. This memorandum establishes the interim policy requirements needed to implement the new system pending revision of NASA Procedural Requirements (NPR) 3430.1A, NASA Employee Performance Communication System (EPCS). The new system will become effective October 1, 2004. An Agencywide team of Center, Mission Directorate, and Headquarters representatives worked together over the past few months to develop the three-level system.

Highlights of the revised system include the following:

- Establishes a three level summary rating scheme
  - The highest level will reflect NASA's top performers
- Establishes a standard Agency appraisal cycle from May 1 through April 30
- Includes the employee as a "partner" throughout the performance management process

The interim requirements are enclosed with this memorandum. They will be submitted through the NASA Online Directives Information System (NODIS) official review process. Pending completion of the NODIS review process, they are posted on our NASA People Web site at <http://nasapeople.nasa.gov/perform/index.htm> and will be linked to the NODIS Library.

If you have any questions regarding the implementation of these interim requirements, please contact your Human Resources Office for assistance.

*//signed//*  
Vicki A. Novak

Enclosure

Officials-in-Charge of Headquarters Offices:

Office of the Administrator/Mr. Gregory  
 Office of the Chief of Staff/Mr. Schumacher  
 Office of Institutions and Management/Mr. Jennings  
 Office of the Chief Financial Officer/Ms. Sykes  
 Office of the Chief Engineer/Mr. Bradley  
 Office of the General Counsel/Gen. Wholley  
 Office of Space Operations/Mr. Readdy  
 Office of Education/Dr. Loston  
 Office of Chief of Strategic Communications/Dr. Burns  
 Office of Safety and Mission Assurance/Mr. O'Connor  
 Office of Aeronautics Research/Dr. Lebacqz  
 Office of Science/Mr. Diaz  
 Office of Exploration Systems/Adm. Steidle  
 Office of Chief Information/Ms. Dunnington  
 Office of the Inspector General/Mr. Cobb

Directors, NASA Centers:

ARC/Mr. Hubbard  
 DFRC/Mr. Petersen  
 GRC/Dr. Earls  
 GSFC/Dr. Weiler  
 JPL/Dr. Elachi  
 JSC/Gen. Howell  
 KSC/Mr. Kennedy  
 LaRC/Gen. Bridges  
 MSFC/Mr. King  
 SSC/Adm. Donaldson

cc:

Personnel Directors:

Office of Training and Development/Ms. Acoven  
 Office of Personnel/Ms. Dawsey  
 Office of the Inspector General/Ms. Gilmore  
 Office of Headquarters Operations/Mr. Jedrey  
 Office of Management Systems/Mr. Sullivan  
 ARC/Ms. McCullough  
 DFRC/Ms. Boyd  
 GRC/Ms. Gordon  
 GSFC/Mr. Paprocki (Acting)  
 JPL/Ms. Hart  
 JSC/Ms. Saiz (Acting)  
 KSC/Mr. Simpkins  
 LaRC/Ms. Meisel

MSFC/Mr. Hightower  
SSC/Ms. Catone

Office of Infrastructure, Management, and Headquarters Operations/Ms. Washington

## **Interim Requirements to NASA Procedural Requirements (NPR) 3430.1A, NASA Employee Performance Communication System (EPCS)**

The following describes the interim requirements to the NASA EPCS. The requirements currently established in NPR 3430.1A, unless modified or revised as described below, remain in effect (with the exception of descriptive, conforming changes, i.e., changing “Meets Expectations” to “Meets or Exceeds Expectations”). NPR 3430.1A, in conjunction with these interim requirements, sets forth the provisions of the NASA EPCS until such time when they are submitted through the NASA Online Directives Information System (NODIS).

### **CHAPTER 1. Responsibility:**

#### **DIRECTOR, PERSONNEL DIVISION**

The Director, Personnel Division, Office of Human Capital Management, is responsible for ensuring that the EPCS and these requirements comply with applicable law and regulations.

#### **ASSISTANT ADMINISTRATOR FOR INFRASTRUCTURE, MANAGEMENT, AND HEADQUARTERS OPERATIONS AND NASA CENTER DIRECTORS**

- **DELETED** – The Assistant Administrator for Infrastructure, Management, and Headquarters Operations and NASA Center Directors are responsible for establishing an annual appraisal period for their respective Centers.
- NASA Headquarters and each Center shall determine the actual date performance appraisals are due, but appraisals must be given to employees as soon as practicable (generally within 30 days) after the end of the appraisal period.
- NASA Headquarters and each Center shall determine the responsibility and requirements for the maintenance, access, transfer, and destruction of Employee Performance Files in accordance with this NPR; Office of Personnel Management’s (OPM) Governmentwide system of records, OPM/GOVT-2, requirements; and applicable regulations.

### **CHAPTER 2. Detailed Requirements for the NASA Employee Performance Communication System (EPCS)**

#### **SCOPE AND PURPOSE:**

The NPR and these interim requirements describe the specific responsibilities and requirements for planning, monitoring, developing, assessing, and rewarding employee performance that contributes to the achievement of the Agency’s vision, mission, and goals in accordance with applicable law and regulations.

#### **PRINCIPLES/OBJECTIVES:**

- Emphasizes the embodiment of NASA’s core values – Safety, The NASA Family, Excellence, and Integrity – in everything that we do.

- Supports the concept of One-NASA.
- Cascades the Senior Executive Service (SES) performance evaluation factors to the employees.
- Establishes an Agencywide performance management system that focuses on accountability for results and effectively differentiates between high and low performance.
- Establishes the employee as a “partner” through on-going communication and constructive feedback between the supervisor and employee.

## EMPLOYEE COVERAGE

These requirements cover all NASA non-SES employees other than those excluded by 5 U.S.C. 4301(2) or Excepted Service employees excluded by 5 CFR 430.202(c) and (d) with the exception of senior-level and scientific and professional employees paid under 5 U.S.C. 5376 and covered by a separate Agency performance management system established in accordance with 5 CFR Part 430.

## DEFINITIONS:

- *Appraisal.* The process under which performance is reviewed and evaluated.
- *Appraisal Period.* The established period of time for which performance will be reviewed and a rating of record will be prepared.
- *Appraisal Program.* – **DELETED.**
- *Appraisal System.* – **DELETED.**
- *Critical Element.* A work assignment or responsibility of such importance that unacceptable performance in that element would result in a determination that an employee's overall performance summary rating is *Fails to Meet Expectations*. Such elements shall be used to measure performance only at the individual level [5 CFR 430.203].
- *NASA Employee Performance Communication System (EPCS).* The specific responsibilities and requirements for the planning, monitoring, developing, assessing, and rewarding employee performance established under the policies and parameters of NASA's performance management system.
- *Non-critical Element.* A dimension or aspect of individual, team, or organizational performance, exclusive of a critical element, that is used in assigning a performance summary level. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance. Failure on a non-critical element cannot be used as a basis for a performance-based adverse action nor can the employee's performance be summarized as *Fails to Meet Expectations* overall based on that failure [5 CFR 430.203]. Note – non-critical does not mean not important.
- *Performance Management System.* The general policies and parameters under which the requirements of the NASA Employee Performance Communication System (EPCS) have been established. The Office of Personnel Management (OPM) approved the NASA system,

also referred to as the NASA Employee Performance Communication System (EPCS), on April 23, 1996.

- *Performance Plan.* All of the written, or otherwise recorded, performance elements, standards, and performance indicators that set forth expected performance.
- *Performance Indicator.* In conjunction with a performance standard, expression of the performance threshold, requirement, or expectation.
- *Performance Rating.* Appraisal of performance compared to the performance elements, standards, and performance indicators for each critical and non-critical element on which there has been an opportunity to perform for the minimum period. A performance rating at the end of the appraisal period will include the assignment of a performance summary level.
- *Progress Review.* A supervisor and employee discussion about the employee's performance compared to the performance elements, standards, and performance indicators of critical and non-critical elements.
- *Rating Definitions.*
  - Performance Element Rating Levels:
    - *Significantly Exceeds Expectations.* Performance that consistently exceeds the performance standard and identified performance indicators to an exceptional degree for the element.
    - *Meets or Exceeds Expectations.* A broad range of performance that at least fully meets or may exceed the performance standard and identified performance indicators for the element.
    - *Fails to Meet Expectations.* Performance that fails to meet the established performance standard and identified performance indicators for the element.
  - Performance Summary Rating Levels (Pattern B) [5 CFR 430.208(d)(1)]:
    - *Distinguished (Level 5).* All rated critical and non-critical elements must be rated as "Significantly Exceeds Expectations."
    - *Meets or Exceeds Expectations (Level 3).* All rated critical elements must be rated as "Meets or Exceeds Expectations."
    - *Fails to Meet Expectations (Level 1).* Performance for any critical element that is rated "Fails to Meet Expectations."
- *Rating Official.* The individual (usually the immediate supervisor) who is responsible for:
  - Planning – engaging the employee as a partner in the establishment of the employee's performance elements, standards, and performance indicators;
  - Monitoring – promoting two-way communications with the employee and providing constructive feedback relative to the employee's performance during the appraisal period;
  - Developing – assessing the employee's training and development needs and requirements to improve good or poor performance and, when possible, providing educational, developmental, and growth opportunities;

- Rating – fairly and accurately appraising the employee’s performance against the performance plan at the end of each appraisal period; and
- Rewarding – when appropriate, fully and fairly utilizing awards and recognition to recognize the employee’s performance and achievements.
- *Rating of Record.* The written or otherwise recorded performance rating prepared at the end of an appraisal period, or at such other times for special circumstances as specified by this system, that must include the assignment of a performance summary level supported by a narrative description of the performance on all elements in the performance plan.
- *Reviewing Official.* The official (usually the second-level supervisor) who reviews and approves a performance summary rating of “Distinguished” or “Fails to Meet Expectations.”
- *Supervisor.* See *Rating Official*.

#### **BASIC PROVISIONS:**

- NASA Headquarters and each Center will establish an annual appraisal period. – **DELETED.**
- The Agencywide performance appraisal period shall be from May 1 through April 30.
- The responsibility for establishing performance plans and appraising employees rests with the immediate supervisor. However, a performance summary rating of *Distinguished* or *Fails to Meet Expectations* must be reviewed and approved by a higher level official (Reviewing Official); approval by a higher level official is not required for a rating of *Meets or Exceeds Expectations*.
- Performance plans may include both critical and non-critical elements.
- Performance plans for supervisory employees must include the performance elements and standards cascaded from the SES performance evaluation factors (Attachment 1).
- Performance plans for non-supervisory employees must include the performance elements and standards cascaded from the supervisory performance elements and standards (Attachment 2).
- Each standard for supervisory and non-supervisory employees must include a sufficient number of performance indicators to clearly communicate to the employee the performance expectations for that standard.
- Employees will be appraised for each individual performance element of their performance plan at three levels – *Significantly Exceeds Expectations*, *Meets or Exceeds Expectations*, or *Fails to Meet Expectations*.
- Employees’ overall performance will be appraised at three summary levels (Pattern B) – *Distinguished* (Level 5), *Meets or Exceeds Expectations* (Level 3), and *Fails to Meet Expectations* (Level 1) [5 CFR 430.208(d)(1)].
- An employee who receives a performance rating of *Distinguished* is eligible to be considered for monetary performance awards and non-monetary recognition. An employee who receives a performance rating of *Meets or Exceeds Expectations* is eligible to be considered for monetary awards and non-monetary recognition based on performance, provided that the

employee received a *Meets or Exceeds Expectations* performance element rating for all rated elements (critical and non-critical).

## **APPRAISAL PROCESS:**

Standard Agencywide performance planning and appraisal forms for supervisory and non-supervisory employees shall be used by all Centers. Centers with an automated performance management system may develop automated forms provided the information does not deviate from the Agencywide forms.

### **Performance Planning:**

- The supervisor must establish a written, or otherwise recorded, performance plan for each employee. Normally, these plans will be established within 30 days of the beginning of the appraisal period or within 30 days of an employee's assignment to a position.
- Performance plans for supervisory employees must include the performance elements and standards cascaded from the SES performance evaluation factors (Attachment 1). These are the minimum requirements and will normally be critical elements; however, supervisors may determine that one or more of these elements are not critical depending upon the employee's responsibilities and work assignments. Supervisors may, also, establish additional performance elements and standards that are specific and relative to the employee's duties.
- Performance plans for non-supervisory employees must include the performance elements and standards cascaded from the supervisory performance elements and standards (Attachment 2). These are the minimum requirements. Supervisors may, also, establish additional performance elements and standards that are specific and relative to the employee's duties. Typically, non-supervisory employee performance plans will include five to eight elements. All performance plans must have at least one critical element.
- Performance plans for team leaders, program managers, and other similar non-supervisory positions, while not required, may include one or more of the performance elements and standards cascaded from the SES performance evaluation factors for supervisory employees when determined applicable by the supervisor.
- Supervisors must offer an employee the opportunity to provide input into their performance plans. Before finalizing a performance plan, the supervisor must provide a draft of the plan to the employee and give the employee an opportunity to provide input/feedback. However, the supervisor shall make the final decision on the performance elements, standards, and performance indicators addressed by the plan.
- Since the required performance standards are broad statements of expected accomplishments or behaviors, the performance indicators for each standard are necessary to communicate what an employee has to do or achieve to meet the standard. Each standard must include a sufficient number of performance indicators to clearly communicate the performance expectations to the employee. Performance indicators should guide the supervisor/employee discussion about performance expectations during the performance-planning stage and the discussion about the employee's performance and accomplishments during a progress review and the annual appraisal.



- Performance indicators should identify, where possible, the measures (e.g., quality, quantity, timeliness, cost-effectiveness) that will be used to evaluate the performance results and must be written at the “Meets Expectations” level.

### **Performance Monitoring:**

- The EPCS emphasizes on-going communication and constructive feedback between the supervisor and the employee. At a minimum, one progress review must be held during the appraisal period, generally mid-point in the period. Either a supervisor or an employee may initiate a progress review at any time during the appraisal period.
- Supervisors must offer an employee an opportunity to provide input relative to their performance elements and standards for their progress review. Documentation, either written or otherwise recorded, is required to indicate the review was held. Additional documentation is required in those cases where the supervisor is concerned the employee’s performance is deficient and will not meet a performance standard(s). Employees shall be given an opportunity to respond to any performance deficiency documented by the supervisor.

### **Performance Assessing:**

- Performance Element Rating Levels:
  - *Significantly Exceeds Expectations* – Performance that consistently exceeds the performance standard and identified performance indicators to an exceptional degree.
  - *Meets or Exceeds Expectations* – A broad range of performance that at least fully meets or may exceed the performance standard and identified performance indicators.
  - *Fails to Meet Expectations* – Performance that fails to meet the performance standard and identified performance indicators.
- Supervisors must offer an employee the opportunity to provide input, relative to their performance elements and standards, on their accomplishments during the appraisal period. The employee shall be strongly encouraged to assume responsibility for identifying specific accomplishments and results (with examples) relative to their performance elements and standards. The employee’s input must be retained as part of their appraisal documentation in their official Employee Performance File.
- Performance Summary Rating Levels:
  - *Distinguished* (Level 5) – All rated critical and non-critical elements must be rated as “Significantly Exceeds Expectations.”
  - *Meets or Exceeds Expectations* (Level 3) – All rated critical elements must be rated as “Meets or Exceeds Expectations.”
  - *Fails to Meet Expectations* (Level 1) – Performance for any critical element that is rated “Fails to Meet Expectations.”
- A narrative description of the employee’s performance is required for all performance summary-rating levels.
  - *Distinguished* and *Fails to Meet Expectations* performance summary ratings:

- The narrative description of the employee's performance must be very substantive and clearly and completely justify the rationale for that summary rating level.
- The performance summary rating must be reviewed and approved by a higher-level official (reviewing official).
- Any performance element rating of *Fails to Meet Expectations* for any critical element will result in an overall performance summary rating of *Fails to Meet Expectations*.

#### **DETAILS, POSITION CHANGES, AND TRANSFERS:**

When an employee serves for 90 days or more on a detail, within or outside of the Agency, or in one or more positions during the appraisal period, input from the supervisor of those details/positions shall be given to the rating official for consideration in assigning an annual rating of record. When the rating official requests that this input be provided in writing, the input shall be retained as part of the employee's appraisal documentation in their official Employee Performance File.

#### **AWARDS ELIGIBILITY:**

- An employee who receives a performance summary rating of *Distinguished* is eligible for monetary performance awards and non-monetary recognition.
- An employee who receives a performance summary rating of *Meets or Exceeds Expectations* must have received a *Meets or Exceeds Expectations* performance element rating for all rated elements (critical and non-critical) in order to be eligible for monetary awards and non-monetary recognition based on performance.
- An employee who receives a *Fails to Meet Expectations* performance element rating for a non-critical element is not eligible for monetary awards or non-monetary recognition based on performance.
- All awards will be processed in accordance with Appendix C of NPR 3451.1, "NASA Awards and Recognition Program."

#### **QUALITY STEP INCREASE (QSI):**

- A Quality Step Increase is not required but may be granted to an employee who receives a performance summary rating of *Distinguished* [5 CFR 531.504]. Recommendations for QSI's will be processed in accordance with NPR 3530.1, "Pay Policy and Allowances."

#### **GENERAL PROGRAM ADMINISTRATION:**

- Any administrative action initiated under the Performance Management Systems approved by OPM on November 4, 1986, will continue to be processed in accordance with the provisions of these systems. – **DELETED**.
- These interim requirements are effective October 1, 2004.

#### **EMPLOYEE PERFORMANCE FILES (Written or Otherwise Recorded):**

- All performance-related records shall be maintained and available:

- To Agency officials having a need for the information;
- To employees and, as appropriate, to an employee's designated personal representative;
- To support actions based on the records; and
- To the OPM in connection with its personnel management evaluation role.
- All employees shall be provided copies of the following documents at the time they are prepared:
  - Draft of performance plan and opportunity to provide input/feedback.
  - Performance summary rating of record for the appraisal period and the performance plan that identifies performance element ratings upon which the rating of record was based.
  - Individual Development Plan, if applicable.
- Performance-related records shall, at a minimum, include:
  - Performance summary ratings of record, including the performance plans on which they were based.
  - When provided, employee input as to his/her accomplishments relative to his/her performance elements and standards and any employee response to any deficiency documented by the supervisor during an appraisal period.
  - Input from the supervisor of a position which the employee was detailed to, previously assigned to, or transferred from when requested in writing by the rating official.
- Performance-related records may include, but are not limited to:
  - Recommendations for training that are performance related or for development purposes (e.g., Individual Development Plans).
  - Recommendations for awards, promotions, denial of within-grade increases, demotions, reassignment, and removals, including supporting documentation.
  - Any document that indicates that the rating is being challenged under administrative procedures (e.g., when the employee files a grievance on the rating received).
  - Records concerning performance during the supervisory or managerial probationary period or the employee's initial period of probation after appointment.
  - Advice and counseling records that are based on work performance.
- Performance-related records for all employees shall be maintained for no less than 4 years from the date the final rating is issued and destroyed in accordance with the Center's requirements.

## **EVALUATION:**

- Measurement outcomes include the following:
  - Employees' performance appraisals are perceived as fair and accurately reflecting the level of performance across all organizations.

- The EPCS makes meaningful distinctions in employees' performance.
- The EPCS is integrated with and supports the Agency's Awards and Recognition Program.
- The EPCS shall be evaluated at the end of the first appraisal period following implementation of these requirements and revisions and thereafter as deemed necessary. Evaluations shall include the following:
  - Review and analysis of the distribution of performance summary rating levels.
  - Review and analysis of performance awards based on performance during the appraisal period.
  - Employee and supervisor feedback, comments, and recommendations, e.g., Center focus groups, surveys, etc.

**LINKAGE TO SENIOR EXECUTIVE SERVICE (SES) PERFORMANCE APPRAISAL SYSTEM:**

The performance results of non-SES supervisors and non-supervisory employees will be considered in the performance evaluation of SES managers and executives.

**Performance Elements and Standards for Supervisory Employees:**

**Element 1. Strategic Alignment**

Standard: Demonstrates a commitment to the Agency's Vision, mission, and goals.

**Element 2. Health and Safety**

Standard: Demonstrates a commitment to the Agency's #1 core value – Safety is the first consideration before any other Agency or organizational goal or objective.

**Element 3. Equal Opportunity/Diversity**

Standard: Demonstrates a commitment to and support of equal opportunity and diversity by complying with the Agency's EO laws, regulations, policies, and procedures.

**Element 4. Collaboration and Teamwork**

Standard: Demonstrates a commitment to One-NASA by promoting collaboration and teamwork among the organization's employees and with other managers and teams across Centers and organizational boundaries.

**Element 5. Communications**

Standard: Demonstrates a commitment to creating and sustaining an environment conducive to open, honest, and effective communications.

**Element 6: Work Objectives**

Standard: Demonstrates a commitment and personal responsibility to strive for excellence and high-quality results that are aligned with and ultimately contribute to the achievement of the mission and goals of the Agency.

**Element 7. Human Capital Management**

Standard: Demonstrates a commitment to the strategic management of human capital by identifying current and future workforce competencies, including succession planning, needed to successfully execute the organization's goals and objectives.

**Performance Elements and Standards for Non-Supervisory Employees:**

**Element 1: Health and Safety**

Standard: Demonstrates a commitment to the Agency's #1 core value – Safety is the first consideration before any other Agency or organizational goal or objective.

**Element 2: Collaboration and Teamwork**

Standard: Demonstrates a commitment to One NASA

**Element 3: Communications**

Standard: Demonstrates a commitment to open, honest, and effective communications.

**Element 4: Work Objectives**

Standard: Demonstrates a commitment and personal responsibility to strive for excellence in the accomplishment of work assignments that are aligned with and ultimately contribute to the achievement of the mission and goals of the Agency.